

**GOVERNMENT OF INDIA
AGRICULTURE
LOK SABHA**

UNSTARRED QUESTION NO:3069
ANSWERED ON:09.12.2002
FARMERS AFFECTED DUE TO PRICE HIKE
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Will the Minister of AGRICULTURE be pleased to state:

- (a) whether the farmers in almost all the States have been affected adversely due to hike in the prices of various farm implements, fertilizers and also the lack of Minimum Support Price (MSP) of their produces;
- (b) if so, whether the Government have taken any remedial measures to protect their interest;
- (c) if so, the details thereof; and
- (d) the amount of assistance provided by the Union Government to the farmers to face the situation?

Answer

MINISTER OF STATE IN THE MINISTRY OF AGRICULTURE (SHRI HUKUMDEO NARAYAN YADAV)

(a) to (d): The Minimum Support Prices (MSP) of major agricultural commodities are fixed on the basis of the recommendations made by the Commission for Agricultural Costs and Prices (CACP), views of State Governments and concerned Central Ministries as well as such other relevant factors considered important in fixation of minimum support prices. While recommending the MSPs the CACP considers a number of factors like the cost of production, changes in input prices, input/output price parity, parity between prices paid and prices received by the farmers. Cost of cultivation/production taken into account includes all paid out costs such as cash and kind expenses on use of material inputs like seeds, fertilizers, manures etc. Thus, the hike in the prices of various farm implements, fertilizers etc. are duly taken into account in fixing the MSPs.

The government announces each season the minimum support prices (MSP) of major agricultural commodities and organizes purchase operations through the public and cooperative agencies such as Food Corporation of India, Jute Corporation of India (JCI), Cotton Corporation of India (CCI), National Agricultural Cooperative Marketing Federation (NAFED) and Tobacco Board, besides other agencies designated by the State Governments. The MSPs of major agricultural commodities have been raised over the years. Keeping in view the drought situation in the country the Government has already announced payment of special drought relief prices ranging from Rs.5 to Rs.20 per quintal for different kharif crops of 2002-03 season. A statement showing the minimum support prices of major agricultural commodities fixed in recent years is enclosed.

The designated Central Nodal Agencies are required to intervene in the market for undertaking price support operations in case, the market prices of major agricultural commodities fall below minimum support prices announced by the Government.